

**PRESS CONFERENCE GIVEN BY  
AMBASSADOR ROBERT ZOELLICK, U.S. TRADE REPRESENTATIVE  
AND MINISTERS VALLEY AND KNIGHT  
AT THE  
TRINIDAD HILTON  
PORT OF SPAIN  
WEDNESDAY, SEPTEMBER 11, 2002**

**Moderator:** Ladies and Gentlemen of the media good afternoon and welcome to the press conference at the end of the special meeting between the Caribbean Community Ministers of Trade, under the auspices of the COTED, the Council for Trade and Economic Development, and the United States Trade Representative Ambassador Robert Zoellick. Our host, Minister Ken Valley, will begin the press conference. All three gentlemen will make opening statements after which we accept questions. You will appreciate that we are running a little behind time, so if you could keep your questions pointed and focused we will be happy.

**Minister Valley:** Thank you very much. First of all I think that it is symptomatic on the anniversary of 9/11 that we are meeting with the United States Trade representative to talk trade and economic development. I say symptomatic because while 9/11 destroyed buildings, killed many people, 9/11 has had a very serious economic effect on our economies in the Caribbean especially our countries which rely on tourism. I think therefore the fact that we are meeting today suggests the resilience of that for which we approach our work. We have had a free and frank discussion with the team from the United States headed by Ambassador Zoellick and of course my colleagues here, and especially the chairman, the Minister from Jamaica will provide some of that information.

On behalf of the government and people of Trinidad and Tobago, it is with pleasure that I welcome Ambassador Zoellick to our country and hope that he will make it a regular occurrence even if it is limited to winter months. Of course also, I want to welcome another Minister from Jamaica and the rest of the Caricom Trade Ministers to Trinidad and Tobago. As you know COTED meets twice a year and from time to time we meet in special sessions, this is a special session, mainly to prepare some ground rules for upcoming negotiations. As you are aware, we are in the FTAA process, there is a technical negotiating committee meeting that is coming up in November with respect to the ACPAU meeting. We are starting that in late September and of course there is the WTO next year so that we thought it advisable to meet in special sessions to talk over some of the issues and prepare for these upcoming negotiations.

**Moderator:** Thank you Minister. We now go over to Minister Knight, Foreign Minister and Minister of Foreign Trade of Jamaica and Chairman of the COTED.

**Minister Knight:** Thank you Minister Valley for your kind welcome to Trinidad and Tobago. As you know, I am no stranger to this jewel in the Caribbean always happy to be here and I join you in welcoming Ambassador Zoellick to Trinidad and Tobago.

We had a very interesting, very informative meeting, exchange of views earlier on. We dealt with some issues which are of great importance to Caricom and of importance also to our neighbor, the United States. We put on the table the importance of dealing with the Caribbean islands as small economies, with special emphasis on our vulnerabilities and the need therefore for us to have special and differential treatment, we accentuated and this is fully recognized by the United States that there is that need. Indeed, as small economies we are vulnerable in a variety of ways beginning with our size and of course you all know of our vulnerability to natural disasters and in that regard, it is difficult sometimes for us to reconstruct our economies when we suffer from these natural disasters. We made it quite clear and it was accepted that in the FTAA process, the negotiations, we would want the economies of the Caricom to be treated in a special way. We also discussed issues related to the Hemispheric Cooperation Program and a Regional Integration Fund. The matter will be further discussed. We had a very frank and open discussion on the tariff negotiations that have been taking place and you all may have known of the different positions that were held in the negotiations but we are pleased that at the last TNC meeting in the Dominican Republic that the issue was dealt with satisfactorily to our mutual interest and therefore that is a matter now behind us. Importantly what it has demonstrated is that where there is dialogue, there is always room for the different positions to be properly aired and we arrive at a mutual position.

This visit by Ambassador Zoellick is a commencement of the dialogue which will continue and indeed Ambassador Zoellick was gracious enough to have offered to host a meeting of this nature in Washington D.C. while at the same time to our great delight expressing his willingness to return to the Caribbean. The important thing is that the dialogue has begun and the dialogue will continue. So the meeting therefore had achieved the objectives and we look forward to other occasions on which we will strengthen the relations and deal with other issues that will arise in the Free Trade Area of the Americas negotiations. One of the things that we raised and again this was accepted, was the fact that the Free Trade Area of the Americas, when that has concluded negotiations, then it must enhance our market access and not in any way to interfere with that which we already have. We also made it very clear that there is the need for civil society and the business communities to be involved in the whole process but in the final analysis this is about our peoples in the Caribbean and this is about our businessmen. So that we are pleased with the outcome of the negotiations, of the exchange of views and we look forward to further exchanges.

**Ambassador Zoellick:** Well let me start by thanking my colleagues and friends, Minister Valley our host and Minister Knight who is the Chair. The United States is very proud of its good strong economic ties with both Trinidad and Tobago as well as Jamaica and part of our of our discussion here is to emphasize what we have as economic stakes and indeed societal stakes between the United States and all the Caribbean.

I would also like to share my own personal condolences for the family and the people of Suriname given Minister Tjohn Tjin Joe's untimely demise. So, I share that sadness with you.

I also want to try to say that I can think of no better way to spend September 11<sup>th</sup> than with my colleagues here, because I wanted to thank them; but even more to thank the people for the

sympathy that they have shown my country after the terrorist attack of September 11. And in a way, as Minister Valley mentioned, this showed the inner-connectedness of our societies.

We had the opening memorial service this morning at a military history museum and in wandering through that museum one cannot help but again get the sense of how the Caribbeans area a crossroads of history. And part of, I think, the challenge that Minister Valley mentioned in the aftermath of September 11 is the fact that we are facing more than a traditional security challenge, we are facing a challenge about trying to work together to promote openness, and growth, and opportunity, and development, and that's part of what trade and our work together is about.

There are really five points that I wish to emphasize. The first and most important was that I came here to try to listen to my colleagues and to learn from them. I have had the opportunity to work with the Trade Ministers of Caricom in a number of negotiations over the past year and I have always benefited from the insights that they have shared with me. I am also going to spend some time today also having some meetings with some of the private sector folks-the business community but I am also visiting the Cotton Tree Foundation because it's a good example of the type of project in all our countries, it is important to help those that are less advantaged to be able to take part more fully.

Second, the United States places a great emphasis on our bilateral relationship with Caricom. We have about \$9.4 billion of trade with the Caricom countries and, to take the case of Trinidad and Tobago, we have about \$3.5 billion of trade and about \$2 billion of foreign direct investment. We have a Caribbean Basin Trade Partnership Act which offers preferential trade and our recent trade act actually added to some of those provisions in the apparel area.

Third. We discussed our common work together on the FTAA and our movement towards the goals where for the Quito ministerial, and here again as both my colleagues mentioned, an important part is trying to work with the countries of Caricom so that they can take part in the growing of our economy but recognizing the special needs and this goes with the questions of capacity building and special differential treatment.

Fourth, we had a similar discussion about the DOha agenda, the WTO negotiations that are to be completed in 2005 and fifth I share with my colleagues some our thoughts on trade and capacity building because the United States is fully committed to trying to strengthen the ability of the developing world and Caricom in particular, to take part in the trading system and to link it to strategies to growth and reform. I have with me some of our senior representatives from AID and also our Deputy of our Trade Development Agency and third a representative of the Inter-American Development Bank which is a bank that all our countries belong to and it was in part my way of trying to emphasize the importance that we place on connecting aid and trade with an overall development strategy because I believe trade can not only help with my economic reforms but it's a key to overall growth. As Minister Knight said at the start of our meeting, he would consider it to be a success if after a discussion we agreed to continue this process and so as I suggested at the end of the meeting I thought that would be an excellent idea to do at various levels and I would be delighted to meet with my colleagues in Washington for, or back in the Caribbean so that we can continue this working dialogue.

**Moderator:** Thank you Mr. Ambassador any questions from the Media?

**Question:** Ambassador Zoellick what are some of the elements of the special differential treatment that have been raised with you and the American government and the U.S partners the major partners are likely to accede to.

**Ambassador Zoellick:** Well, as Minister Knight alluded to, in the preparation for the Quito Ministerial of the FTAA one of the issues that we have been discussing, is an agreement from what tariff level will we be negotiating cuts and the FTAA countries frankly are looking towards a position that would cut from the applied rates not the bound rates. The applied rates in almost all cases are obviously lower. That would be a great success for the FTAA negotiations but for the countries of Caricom which need additional flexibility, this was a contentious point because they would prefer to negotiate from the bound rates as you do in the WTO and so I expressed our willingness to work with the compromise that Minister Knight referred to that would create an exception for the Caricom countries for certain sensitive products to be able to negotiate from bound rates, that's one example.

We also talked about different time frames, time frames for putting material forward for example for the market access discussions in the FTAA and as Minister Valley emphasized that we are supportive of the notion of differential time frames, so that certain countries would have longer time periods to be able to phase out the tariffs under the Free Trade Agreement. Those are three examples. In the case of the World Trade Organization, we talked about the special exemptions from the phase out of export subsidies that we are willing to entertain continuing for the Caricom countries because they found sometimes some special need to be able to try and use them. And we have talked trying to address other problems for example dealing with some of the what they called the unfair trade rules is that whether sometimes a region for example Caricom may want to develop those as a region because it's harder for the individual countries to develop them and that's another topic that we discussed. So, I've given you some specifics but the key point is that as I emphasized and as Minister Knight mentioned, the United States and I personally are fully aware that the Caricom countries face some very special problems. They are generally small economies, they're island economies, particularly in the Caribbean they are subject to natural disasters. We want them to bring them along the process of growth and openness and trade but if we are going to do that effectively we have to recognize the special problems and challenges and be able to design solutions for them and that's one reason why we need to talk face to face and it goes back to my point that the best benefit I get is listening and learning more about the particular problems that the Caricom countries face so that we can help them take part in trade and growth.

**Question:** Do you think that the Caribbean as the small island States have legitimate concerns and I also know that some of the small States in Central America have similar concerns. Do you think that those concerns are very legitimate?

**Ambassador Zoellick:** Well I certainly believe that any country has legitimate concerns but I think, as I've said in the area of trade the United States has already recognized the special importance of the Caribbean and the Central American countries by having a law called the Caribbean Basin Trade Partnership Act which creates preferential trade. About 70 percent of the

trade of the Caricom countries now comes into the United States without a tariff or without any quota so that's a good start. But one of the points that I discussed with my colleagues was that I understand they also face a challenge of explaining to their home audiences for giving that preferential range and why should we move to free trade and I suggested that there are some reasons. Number one, what the U.S. Congress grants, the U.S. Congress might also remove as we have seen in the past, so a Free Trade Agreement will lock that in. Second, sometimes those provisions expire and, has happened with the Andean countries there may be a gap between the extension of them. But the most important strategic – and a third as Minister Knight mentioned is to be able to expand, there are other area where we can develop more. But the point that I think is most important for this region is connecting the Caricom countries to investment and business that will operate regionally and globally and so the harder the challenge, going back to you're the heart of your question about whether there are special needs, yes there are special needs. We need to meet the special needs while also helping the Caricom countries take part. In other words, one approach would be to say well, we don't really need any of these Free Trade Agreements, we'll stand aside. My worry is that over 5 or 10 years the rest of the world will keep moving on and that will leave the Caribbean disadvantaged. So how do we bring the Caricom countries along but recognize that we have to customize how they do so and that's the type of topic we discussed and that involves also the key point we emphasized is this does involve connecting your aid program to the challenges. The challenges of having people take part in the negotiations, having the teams, the implementation and some of the structural issues.

**Question:** Back to the first question Ambassador, does it mean that the American government is in agreement with the special and differential treatment?

**Ambassador Zoellick:** We have agreed to the concept of special and differential treatment in both the WTO and in the FTAA negotiations. The challenge is how to operationalize it. But again I will again give you another example, is that I share with my colleagues that I think a very important goal that we should have for the Quito ministerial is to move forward with the Hemisphere Cooperation Program to create the foundation for the Caricom countries and others to move forward in the FTAA. The IDB, the Inter-American Development Bank is helping us do that and that is one reason that I was glad that they were with us. Now that is the area of trade capacity building in aid as opposed to adjusting how you do the follow through on negotiations. But I think both are important.

One final question

**Question:** I don't know if this came up in the meeting about the United States considering reducing farm subsidies.

**Ambassador Zoellick:** It did come up. Minister Valley mentioned the issue and without taking too much time I will make just two points.

One is, there've been a lot of discussions about the Farm Bill passed in the United States but sometimes the facts were not very well covered. The Farm Bill that the Congress passed and the OECD reported this, this is just not the United States, basically maintains the level of farm bill spending that we had in the past because we had a basic bill and we did annual supplementals, so

its not really a fundamental change in farm policy although that is the way some characterize it. But as I wanted to reassure my colleagues was that the United States is fully committed to cutting those subsidies and cutting our tariffs, which of course are not part of the Farm Bill at all, if others cut and that's why even before we got Congress to grant our new trade promotion authority, we worked with the Congress to propose a very far-reaching agriculture proposal that would eliminate all export subsidies with the exceptions of small ones like we would create an exception for the Caribbean countries.

Secondly, it would say that for the internal support the subsidies that affect trade and domestic support would cut \$100 billion or around that globally, and it would cut tariffs by about 75 percent worldwide. Now for us to be able to succeed however, we need others to move and frankly I again, here's a case where a number of the developing countries around the world have rather high tariffs, we also would like to lower some of their tariffs so that their consumers can also pay less for food but even in this case we recognize that some of the challenges that small-island economies have, create a need for special attention.

**Moderator:** Thank you ladies and gentlemen, members of the Head table.